

**HEARING
ON
2007 FARM BILL
SACRAMENTO, CALIFORNIA**



**TESTIMONY
OF
MS. SUSAN BRAUNER
DIRECTOR OF PUBLIC AFFAIRS
BLUE DIAMOND GROWERS
P.O. BOX 1768
SACRAMENTO, CALIFORNIA 95812**

Good morning. Thank you very much for holding this important hearing.

My name is Susan Brauner and I am the Director of Public Affairs for Blue Diamond Growers, the world's largest processor and marketer of almonds. It is a nonprofit farmer-owned cooperative founded in 1910 and headquartered in Sacramento, California.



Blue Diamond markets almonds for its members. The almonds are grown exclusively in California and are the largest tree crop in the state. Almonds are the number one agricultural export from California. Last year, over \$2 billion of almonds were exported from California to the world.

Almonds rank in the top three consumer food items exported from the United States. Blue Diamond Growers exports for the majority of the

almond growers in the State of California. Over 87 percent of the world supply of almonds is produced in California and production continues to expand. Almonds continue to be the number one U.S. agricultural export to countries like India, Israel, and Germany.

Blue Diamond processes and markets approximately 24 percent of the world's supply of almonds. The company obtains its supply of almonds from its member/owners and sells them to retail chains and food processing, confectionery and food service companies in nearly 100 nations around the world. Approximately 3,700 California almond growers own the cooperative. They represent two-thirds of the California almond industry.

Specialty crop growers, such as almond growers, deserve long-term competitiveness and sustainability of U.S. specialty crop production. While my testimony will discuss various issues for specialty crops, it should be understood to be referring specifically to almonds in

each instance. It is simply a matter of fact that almonds are benefited by most programs that benefit specialty crops.

Consumers in U.S. export markets are increasingly demanding high-value food products as their disposable income rises. A thriving and competitive U.S. Specialty Crop industry will support strong growth in export markets and improve our agricultural balance of trade. In order to realize the goal of increasing exports, it is critical that federal policy and resources support efforts to remove the many existing international trade barriers that continue to block U.S. Specialty Crop exports.

Government investment in the competitiveness and sustainability of the U.S. Specialty Crop industry will produce a strong return on investment for all of America, not just farmers.

There are many items that need to be addressed. Certainly with the failure of the WTO negotiations to move forward, we all have to carefully consider how to deal with World Trade. As you know, exports are the life blood of the almond industry. This is true for many California industries, if not most. Even though the percentage exported may be lower in other industries, it is doubtful that if the exports backed up into the U.S. market those industries would be profitable. Therefore, the new Farm Bill must create a climate that favors exports of U.S. agricultural commodities. Currently, there are a number of programs that provide leadership for this effort. These programs include MAP, TASC, Value-Added Producer Grants, FMD, Emerging Markets, and similar programs. These programs should be expanded and well funded.

It is often heard with regard to the WTO negotiations that no deal is better than a bad deal. We should be mindful, however, that no deal can also be a bad deal.

Attention needs to be given to domestic programs as well. Many of the conservation and environmental programs are for bulk commodities grown in the Midwest and do not work well in California. These programs need to be changed so that California farmers and their cooperatives can use them. In many instances, it would be more advantageous for the program to provide the assistance at the cooperative level. This is particularly true with regard to food safety. Food safety is an increasingly important part of agricultural production both domestically and for export.

The new Farm Bill should contain a Specialty Crop title. The U.S. Secretary of Agriculture often states that 93 percent of the Farm Bill funds go to five crops. This must be changed in the new Farm Bill. Specialty Crops must receive their fair share of attention since they account for 50 percent of the farm value of agricultural production.

The Specialty Crop title should contain funding for research and phytosanitary and sanitary issues. It must provide ample personnel for APHIS so that they can work on our issues. It must contain funding for pest eradication and research for pest eradication.

Research is needed to develop new varieties and new production techniques that are environmentally friendly. Research is needed to determine the nutritional benefits of specialty crops and the best way to get this information to consumers. Research should provide more information on the health benefits of specialty crops.

Funding should be provided to increase the availability of fruit, nuts and vegetables to school children. Funding should be provided to expand the availability of these products to women, infants and children. This research will necessarily need to cover the distribution of these products.

We need to be certain that traditional laws that benefit farmers are preserved. This includes the Capper Volstead Act and the laws providing for Marketing Orders. These provisions have proved invaluable for farmers for decades. As the purchasing power of supermarkets is further concentrated, these laws are even more necessary to help the farmer.

While not an issue for the Farm Bill, it would be irresponsible not to comment on the most pressing problem facing agriculture today.

While this problem is the number one [®] problem of all agriculture, it is especially acute in the Specialty Crop industry. The problem, of course, is the dire need for comprehensive immigration reform. It will not matter whether or not there is a Farm Bill next year, if there is no one to harvest our crops. This needs to be addressed immediately. Keep in mind that foreign labor is going to harvest our crops. The only issue is whether they are harvested in the United States or in foreign countries.

Thank you very much for listening carefully to my testimony. I will be most pleased to answer any questions that you may have.

